

Franklin County, Ohio **Annual Financial Report**



For Fiscal Year Ended December 31, 2000

issued by

Joseph W. Testa

Franklin County Auditor

Citizens of Franklin County:

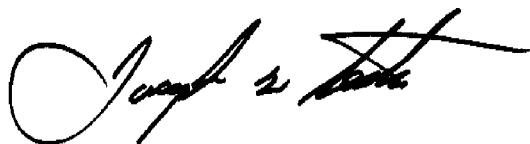
Today, as never before, we are deluged with data and statistics. Sorting through the numbers, trying to decide what is valid and important, and then using that information to make decisions can be a daunting task. As the County's Chief Fiscal Officer, I am committed to providing the public with ready access to reliable, up-to-date information. This publication is intended to demonstrate governmental accountability to the community in a format that is readable and easy to understand.

The Franklin County Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2000, presents an overview of the County's financial position, results of its operations and a description of its debt. The PAFR is not as detailed as our comprehensive annual financial report (CAFR). The CAFR contains full financial statements and note disclosures, prepared in accordance with generally accepted accounting principles (GAAP). The information presented in this PAFR has been derived from the 1999 and 2000 CAFRs, which were audited by the Ohio Auditor of State, with both receiving unqualified opinions. The schedules shown in the PAFR contain summarizations and combinations of accounting data that would not be allowed by GAAP, and exclude proprietary and fiduciary funds as well as the component units. The CAFR is available by contacting the Franklin County Auditor's Office, Fiscal Services Division at (614) 462-7381, or writing us: 373 South High Street, 21st Floor, Columbus, Ohio 43215.

While you are visiting our web site, I invite you to view the slide-show version of the PAFR. You will also find a wide array of county data, forms and applications here, as well as links to other related sites. I welcome the use of e-mail for sharing your comments or suggestions concerning this report, this web site, or any other aspect of the operations of the County Auditor's Office.

I wish to commend the Fiscal Services staff for continuing the tradition of excellence in financial reporting, which has garnered Franklin County awards from the Government Finance Officers Association for both the CAFR and PAFR in recent years.

Sincerely,



Joseph W. Testa
Franklin County Auditor
e-mail: joe_testa@co.franklin.oh.us



Economic Outlook & Benchmarks

Franklin County is located in central Ohio within 500 miles of half the nation's population. The 2000 federal census reported the County's population as 1,068,978, an increase of 11.2% in the last ten years. Columbus, the largest city in the County, serves as the state capital and the county seat, and is home to The Ohio State University.



Central Ohio enjoys a broad-based economy in which no single industry dominates. The largest employers represent government, education, finance, retail trade, manufacturing and health care. This diversity helps insulate the region from many of the economic fluctuations experienced elsewhere. The unemployment rate for 2000 was 2.4%.

New construction serves as a barometer of economic growth and vitality. Current construction projects show that Franklin County is in good health.

Downtown is being revitalized as a place to work, live and play. Nationwide Arena, home to the Columbus Blue Jackets, a National Hockey League expansion team, opened in September 2000. The Arena District has served as a magnet for other development. Several restaurants, office buildings and a cinema complex are planned for the area. Miranova, a highrise complex offering new office and residential space, and the nearby Brewers Yard are changing the face of the southwestern edge of the central city. Across the river, West Edge Business Center will transform a former public housing site into a 50-acre office/light industrial park.

There is growth near the major transportation hubs, as well. During 2000, Port Columbus International Airport's new parking garage opened, and a terminal expansion project was completed. Proximity to Rickenbacker International Airport continues to entice companies to locate warehouses and distribution centers in the Foreign Trade Zone.

COUNTY COMPARISONS

One way of evaluating a government's performance is to benchmark it against its peers. The following charts compare key ratios for five of Ohio's metropolitan counties. The data used for calculations was taken from each county's 1999 CAFR, focusing on governmental funds including the general, special revenue, debt service and capital project funds. For the purposes of comparison, the Franklin County Alcohol, Drug Addiction and Mental Health Services (ADAMH) Board's revenues, expenditures and fund balances are included in these ratios. Franklin County's ADAMH Board undergoes its own annual audit and publishes a separate financial report. The other four counties report mental health and addiction recovery services as special revenue funds.

1999 STATISTICS

COUNTY	COUNTY SEAT	POPULATION
Franklin	Columbus	1,067,993
Cuyahoga	Cleveland	1,371,717
Hamilton	Cincinnati	847,403
Montgomery	Dayton	565,866
Lucas	Toledo	447,300

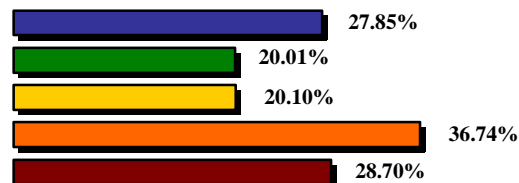
REVENUES PER CAPITA

This indicator is derived by dividing the county's population into total revenues of the governmental funds.



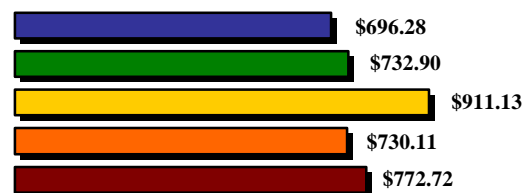
UNRESERVED, UNDESIGNATED FUND BALANCE AS A PERCENTAGE OF EXPENDITURES

This ratio illustrates each county's ability to support operations without considering operating revenue. The fund balance provides a cushion against unfavorable economic conditions.



EXPENDITURES PER CAPITA

This indicator is derived by dividing the county's population into total expenditures of the governmental funds.



County's Financial Position

Conservative fiscal practices and prudent management decisions help to maintain the County's financial stability. The balance sheet presents a snapshot of the County's financial position at a specific point in time. The condensed combined balance sheet as of December 31, 2000, can be found on the facing page. Readers should keep in mind that the statement is presented on a non-GAAP basis. Please refer to the County's 2000 CAFR for GAAP basis reports.

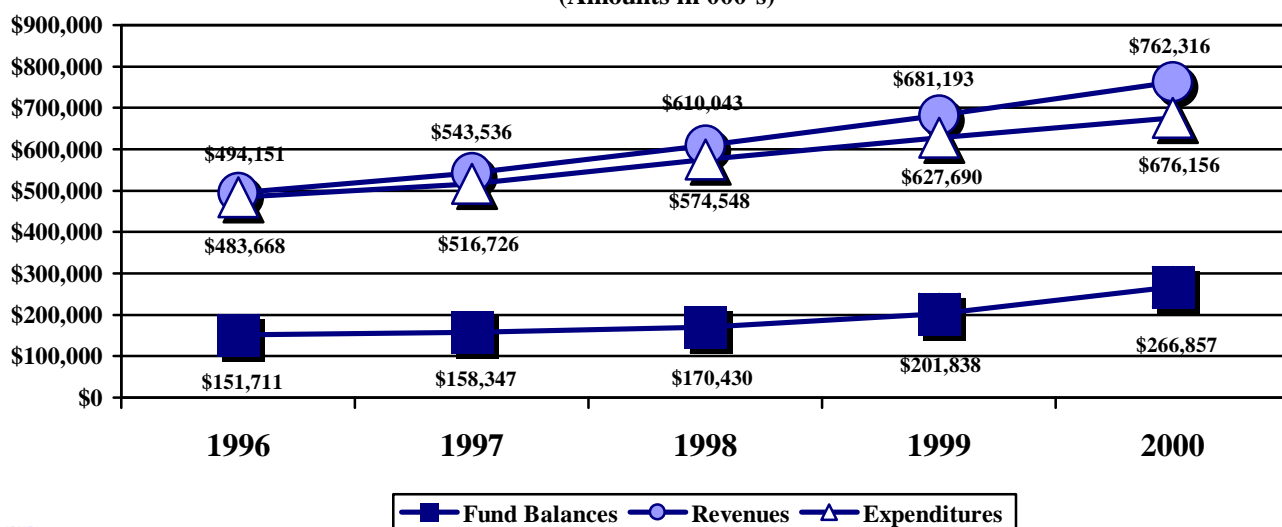
ASSETS provide financial benefits to the County. *Cash and investments* is comprised of cash on hand, investments and demand deposits, whether held in the County Treasury or in authorized outside bank accounts. *Receivables* are sources of revenue that are collectible within sixty days of year-end and can be used to pay current liabilities. Receivables include sales tax revenues, property tax collections, interest and amounts due under state and federal grants and subsidies. *Fixed assets* are long-term investments in property and equipment and are shown at historical cost. Fixed assets are not depreciated and do not include infrastructure, such as roads and bridges. **OTHER DEBITS** are accounting entries made to offset long-term obligations, and represent the amount available in the debt service fund as well as amounts to be provided in the future to make bond and note payments as they become due, and to pay other long-term obligations related to County employees.

LIABILITIES place a financial burden on the County. *Accounts payable* are amounts owed to vendors and service providers for goods and services received before year-end. *Current employee liabilities* are comprised of accrued wages, termination sick leave and vacation payments, and the related payroll tax withholdings that were due at December 31st. *Deferred revenue* represents an offset for taxes and other types of revenue that will not be available to the County within the first sixty days of the next year. *General obligation bonds and notes* represents the County's outstanding debt. *Other long-term obligations* include amounts owed under capital leases, advances to other funds, reserves for workers compensation claims and estimated liabilities for unused vacation and sick leave that will be paid upon termination of employment in a future period.

EQUITY is a measure of the County's net worth. *Reserved fund balances* are not available for current spending needs. *Designated fund balances* have been earmarked by management for a specific future use but are not legally segregated. *Unreserved, undesignated fund balances* represent the County's surplus. This surplus can serve as a cushion against an economic downturn, or can be used to pay cash for large projects instead of borrowing the money. *Investment in fixed assets* is classified as **OTHER CREDITS**.

The graph below presents the five-year trend of the County's unreserved, undesignated fund balances as well as governmental fund type revenues and expenditures. Steady growth in sales and property tax revenues has allowed the County to sustain higher spending levels each year without drawing upon the surplus provided by the fund balances. Note that fund balances grew each year, as well.

TREND OF REVENUES, EXPENDITURES AND UNRESERVED, UNDESIGNATED FUND BALANCES
(Amounts in 000's)



CONDENSED COMBINED BALANCE SHEET
ALL GOVERNMENTAL FUND TYPES AND ACCOUNT GROUPS
(Amounts in 000's)

	<u>Dec. 31, 2000</u>
Assets and other debits:	
Cash and investments	\$ 356,057
Receivables	275,071
Other assets	63,878
Fixed assets	323,728
Other debits	181,653
<i>Total assets and other debits</i>	<u>\$ 1,200,387</u>
Liabilities:	
Accounts payable	\$ 50,137
Current employee liabilities	9,381
Other short-term liabilities	9,315
Deferred revenue	249,258
General obligation bonds and notes	155,384
Other long-term obligations	26,870
<i>Total liabilities</i>	<u>500,345</u>
Equity and other credits:	
Investment in fixed assets	323,728
Reserved fund balances	79,791
Unreserved, designated fund balances	29,666
Unreserved, undesignated fund balances	266,857
<i>Total equity and other credits</i>	<u>700,042</u>
<i>Total liabilities, equity and other credits</i>	<u>\$ 1,200,387</u>

BONDS AND LONG-TERM NOTES

(Amounts in 000's)

DESCRIPTION	OUTSTANDING BALANCE
Series 1993 Refunding Bonds	\$ 105,615
Veterans Memorial Improvement Bonds	7,465
Veterans Memorial Addition Bonds	495
Jail Renovation Bonds	6,585
Correctional Facility Annex Bonds	870
Exhibition Hall Land Bonds	2,880
Voting Machine Acquisition Notes	1,745
OPWC Loans for road projects	2,529
Solid Waste Facility Bonds (SWACO)	18,180
Landfill Facility Bonds (SWACO)	115
Hall of Justice Addition (lease)	4,320
Maryhaven Facility (lease)	4,090
Mental Health Building (lease)	350
MORPC Facility (lease)	95
Fairgrounds Project (lease)	50
Total	<u>\$ 155,384</u>

The County continues to maintain the highest long-term bond ratings given by Moody's Investors Services (Aaa) and the Standard & Poors Corporation (AAA).

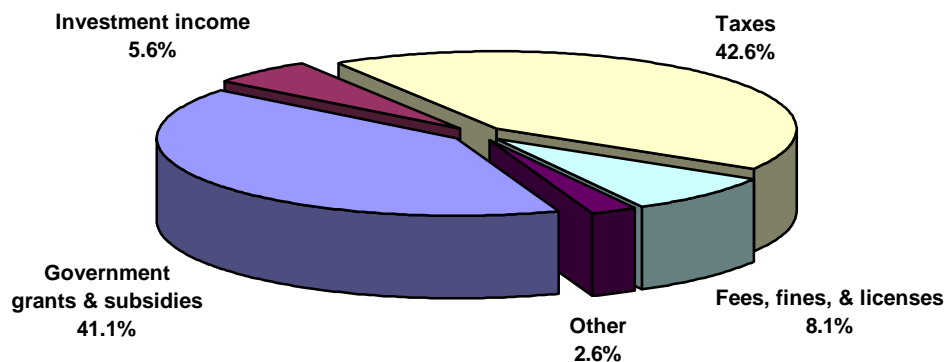
The table at the left shows the principal outstanding as of December 31, 2000, for County bonds and long-term notes. Of the total debt, \$128,184,000 will be serviced by the County, \$18,295,000 by the Solid Waste Authority of Central Ohio and \$8,905,000 by lease revenues collected from the building tenants. The Series 1993 Refunding Bonds represents defeased bonds previously issued for Zoo Park Land, Juvenile Detention Facility, Juvenile Parking Garage and the County Courthouse.

General obligation debt is backed by the County's full faith and credit and is subject to limitations set forth in Ohio Revised Code Chapter 133. As of December 31, 2000, net general obligation bonded debt was below the legal unvoted debt limit by \$113,185,000, and below the total limit by \$437,164,000.

Dollars In...

The revenues presented here have been reported in the general, special revenue, debt service and capital projects funds. The modified accrual basis of accounting is used, which means that revenues are recognized when they become measurable and available to pay current period liabilities. The table summarizes revenues by source, and shows the increases (decreases) in relation to prior year amounts. Note that the underlying 1999 fees, fines and licenses have been restated to reflect the \$1.8 million effect of reclassifying Parking Facilities from the general fund to an enterprise fund, and the \$224,000 effect of reclassifying the Antenna System from a special revenue fund to an internal service fund.

Governmental Fund Type Revenues Year Ended December 31, 2000 \$762,316,000



(Amounts in 000's)			
REVENUES	2000 ACTUAL	\$ CHANGE FROM 1999	% CHANGE FROM 1999
Taxes	\$ 324,872	\$ 26,936	9.0 %
Intergovernmental	313,516	27,595	9.7 %
Fees, fines and licenses	61,602	2,244	3.8 %
Investment income	42,340	21,892	107.1 %
Other	19,986	4,479	28.9 %
	<u>\$ 762,316</u>	<u>\$ 83,146</u>	12.2 %

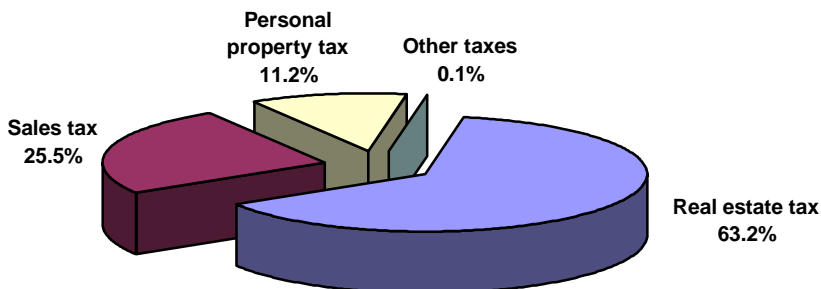
For detailed information about **taxes**, please see the "Taxes" section of this report.

Investment income grew by \$21.9 million because of market conditions favorable to investments in government securities, and because of higher levels of cash available for investment.

Intergovernmental revenues are comprised of grants, subsidies and reimbursements from other governments, primarily the federal government and the State of Ohio. Higher funding levels from the State for the Department of Job and Family Services (J&FS) accounted for \$23.5 million of the increase. These moneys were used for job training programs, day care and emergency assistance to qualified clients.

Taxes

During 2000, the general fund and County agencies received \$324,872,000 in tax revenue. This pie chart shows the proportion derived from each kind of tax. Please note that the County receives no direct income tax revenue.



Real estate, personal property and other taxes totaled \$241,971,000 in 2000, an increase of \$23.1 million, or 10.5%, over the prior year.

A sales tax of 5.75% is collected by the State on sales made in Franklin County. The tax is split as follows: 5.00% for the State of Ohio; 0.50% for the County's general fund; and 0.25% for the Central Ohio Transit Authority (COTA). In 2000, the County general fund's share amounted to \$82,901,000. This was an increase of \$3.9 million, or 4.9% over 1999.

Real estate taxes help finance your school district, your city, village or township, your public library, your parks and zoo, and various County services. In the example below, if your home or business has an appraised value of \$100,000 located in the City of Columbus and the Columbus City School District, this is how the taxes were distributed in 2000.

REAL ESTATE TAXES ON A \$100,000 OWNER-OCCUPIED HOME OR BUSINESS

City of Columbus / Columbus School District



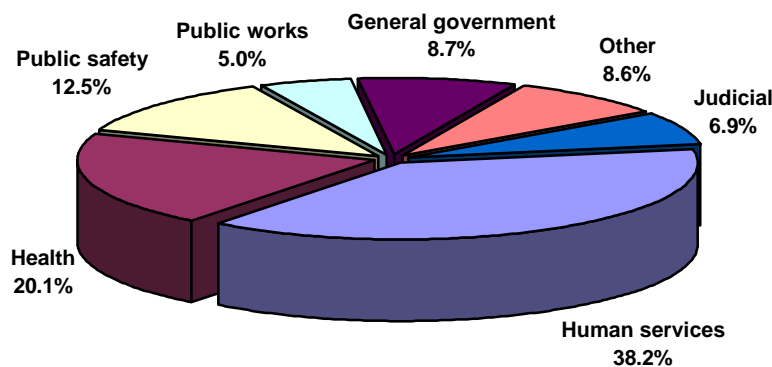
TAX RECIPIENT	HOME	BUSINESS
Columbus City Schools	\$ 941.98	\$ 1,220.94
Board of MR&DD	154.41	191.19
Children Services	110.05	122.46
City of Columbus	96.16	98.91
ADAMH Board	52.92	61.59
County General Fund	45.02	46.31
Columbus Public Library	31.17	40.78
Office on Aging	22.33	24.48
Zoological Park	17.93	21.00
Metro Parks	17.25	18.92
Total Real Estate Taxes	<u>\$ 1,489.22</u>	<u>\$ 1,846.58</u>

Dollars Out...

The expenditures shown are those of the general, special revenue, debt service and capital projects funds. Under the modified accrual basis of accounting, expenditures are recorded when the liability is incurred. The pie chart depicts expenditures by function as a percent of total expenditures for the year ended December 31, 2000. Those functions that individually represent less than three percent of total expenditures have been combined as "Other". These include capital outlays, conservation and recreation, community development, debt service and intergovernmental grants.

The table shows expenditures by function, and the increases (decreases) in relation to prior year amounts. To preserve comparability, the underlying 1999 expenditures have been restated because of several reclassifications made for the 2000 financial statements. Within the general fund, \$8.8 million for the Prosecuting Attorney have been reclassified from general government to judicial, and \$680,000 for the Development Department has been reclassified from general government to community development. \$1.1 million for the Parking Facilities has been reclassified from the general government function in the general fund to an enterprise fund, and \$86,000 for the Antenna System has been reclassified from the general government function in the special revenue funds to an internal service fund. Lastly, all the operations of the Emergency Management Agency, a special revenue fund, are now shown as public safety instead of categorizing \$532,000 of 1999 disaster services expenditures as general government.

Governmental Fund Type Expenditures
Year Ended December 31, 2000
\$676,156,000



(Amounts in 000's)			
EXPENDITURES	2000 ACTUAL	\$ CHANGE FROM 1999	% CHANGE FROM 1999
Human services	\$ 258,351	\$ 23,883	10.2 %
Health	135,887	12,066	9.7 %
Public safety	84,364	8,214	10.8 %
General government	58,438	(3,313)	(5.4) %
Judicial	46,607	2,877	6.6 %
Public works	34,110	(285)	(.8) %
Other	58,399	6,269	12.0 %
	<u>\$ 676,156</u>	<u>\$ 49,711</u>	7.9 %

The rise in human services expenditures relates to increased spending at Job and Family Services. \$16 million more was spent for adult training programs and child care in connection with the State of Ohio's "Welfare to Work" initiative. Children Services' expenditures increased by \$9.3 million for the board and care of children placed in foster care, group homes and other residential programs.

Board of MR/DD's activities are reported in the health category. The Board's expenditures increased by \$11.5 million, primarily due to the supported living program and the remodeling of the Early Childhood Learning Center.

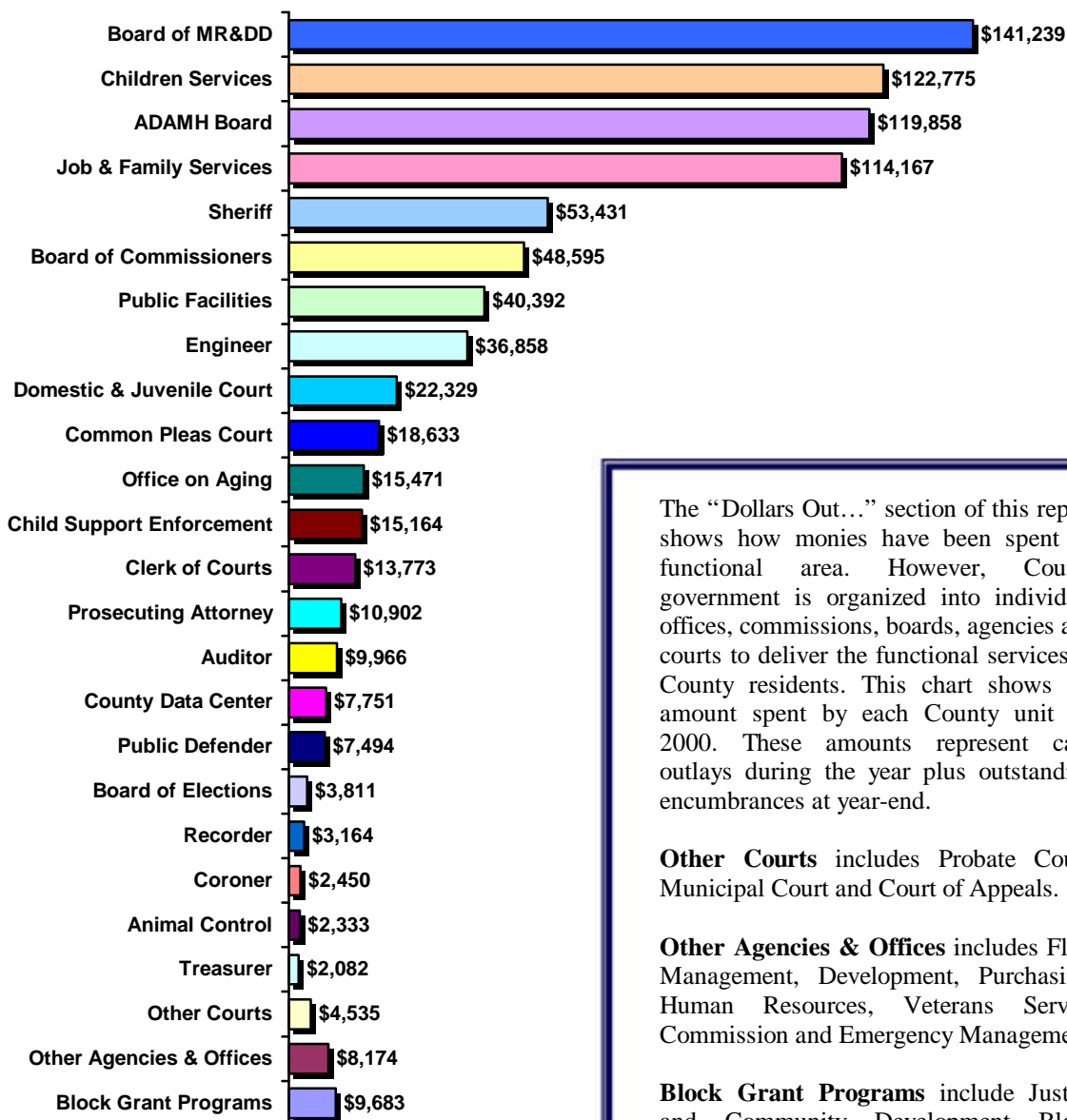
Expenditures in the "Other" function increased because of \$7.2 million spent for the County Space Plan Project. See the "Current and Future Initiatives" section of this report for more details.

County Spending

This information was taken from the non-GAAP budgetary schedules in the County's 2000 CAFR. Because tax levies are an important source of revenue for the ADAMH Board, it is also shown, even though it publishes its own financial report.

The Board of Health, Metro Parks and Mid-Ohio Regional Planning Commission are not presented. Their operations and administration are separate from the County, they are audited individually and they publish separate annual financial reports. The Sanitary Engineer, the Parking Facilities, Telecommunications and the Antenna System are not included since they are self-supporting through fees paid by their customers.

(Amounts in 000's)



The "Dollars Out..." section of this report shows how monies have been spent by functional area. However, County government is organized into individual offices, commissions, boards, agencies and courts to deliver the functional services to County residents. This chart shows the amount spent by each County unit for 2000. These amounts represent cash outlays during the year plus outstanding encumbrances at year-end.

Other Courts includes Probate Court, Municipal Court and Court of Appeals.

Other Agencies & Offices includes Fleet Management, Development, Purchasing, Human Resources, Veterans Service Commission and Emergency Management.

Block Grant Programs include Justice and Community Development Block Grants.

Current and Future Initiatives

In 1998, the County was faced with diminishing physical space to accommodate growing agencies' needs. A solution presented itself in November 1999 when the Center of Science and Industry vacated a building known as Memorial Hall, which it leased from the County. The County is restoring the exterior of Memorial Hall to its former grandeur. The interior is being renovated to house five County departments beginning in the summer of 2001. Two murals painted in 1906 have been uncovered and are being restored. In addition to the Memorial Hall project, vacated floors at the Human Services Building have been remodeled for use by Child Support Enforcement, renovations of the Courthouse Annex have been designed, and new office space has been built in the County Courthouse for the Prosecutor. \$31 million has been transferred from the general fund to a capital projects fund to pay for the comprehensive project.



The County Courthouse complex is comprised of three interconnected buildings and houses the County's criminal justice system as well as most County administrative offices. With the advice of the U.S. Marshal's Office and following Ohio Supreme Court guidelines, a security plan was developed for the Courthouse Complex. During 2000, \$1.5 million was spent to implement the plan. All entrances were equipped with state-of-the-art metal detectors and package scanners staffed by Public Facilities Management (PFM) security employees. The external perimeter security system was also improved with fencing and gates.

Rather than continuing to contract out voice mail services, PFM purchased a system in 2000. A new internal service fund was established to facilitate charging telecommunications services back to the user departments; the voice mail system is recorded as an asset in that fund. With the help of a consultant, PFM has conducted an audit of County telecommunications, and is in the process of writing specifications for long-distance service, with the intention of accepting bids for the first time. PFM has also invested in a computer-assisted facility management system. All county buildings will be resurveyed, with that data and the architectural and engineering plans entered into the automated system. The new database will be used for asset tracking, responding to maintenance calls, supporting telecommunications, and providing information with which to make decisions about remodeling and construction.



In October, 2000, two new features were added to www.co.franklin.oh.us/auditor, the Franklin County Auditor's website. Homeowners are now able to find out how a proposed levy, if passed, would affect their property taxes. By clicking on "Property Search" on the home page, the user can access assessment information for a particular property, searching by owner name, parcel number or address. Once the assessment information comes up on the screen, the user can then access "Levy Info" which shows any levies approved in the last election and any levies proposed on the next ballot. Information displayed includes the millage, the current monthly tax and the estimated monthly tax if the levy passes. By clicking on the levy description, the user can read the actual language that will appear on the ballot. The second feature allows the property owner to request automatic e-mail updates on property taxes affecting their property. Because many homeowners pay property taxes through their mortgage payments, they may not be aware of increases. The e-mail updates allow them to be better informed.

The County is focusing on development of e-government solutions to better serve its citizens. Many records and forms can be accessed on-line. Collection of fees via the Internet is the next initiative. The Auditor began selling new dog licenses on-line in April 2001, and plans to expand this to license renewals later in the year. The Sanitary Engineer would also like to offer its customers the option of paying water and sewer bills on-line in 2002. The Purchasing Department is testing the viability of conducting the bid process on its website.

As part of the 2001 budget process, County agencies submitted three-year information technology plans linking funding requests with strategic goals and objectives. Several of the proposed projects received funding. The County's financial system will be enhanced to utilize more automated and integrated features. The Engineer's cost accounting system will be replaced. An automated performance-based budgeting system will be purchased, streamlining the budget process and incorporating performance measures.

The Government Finance Officers Association

of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Franklin County, Ohio, for its Annual Financial Report for the fiscal year ended December 31, 1999. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

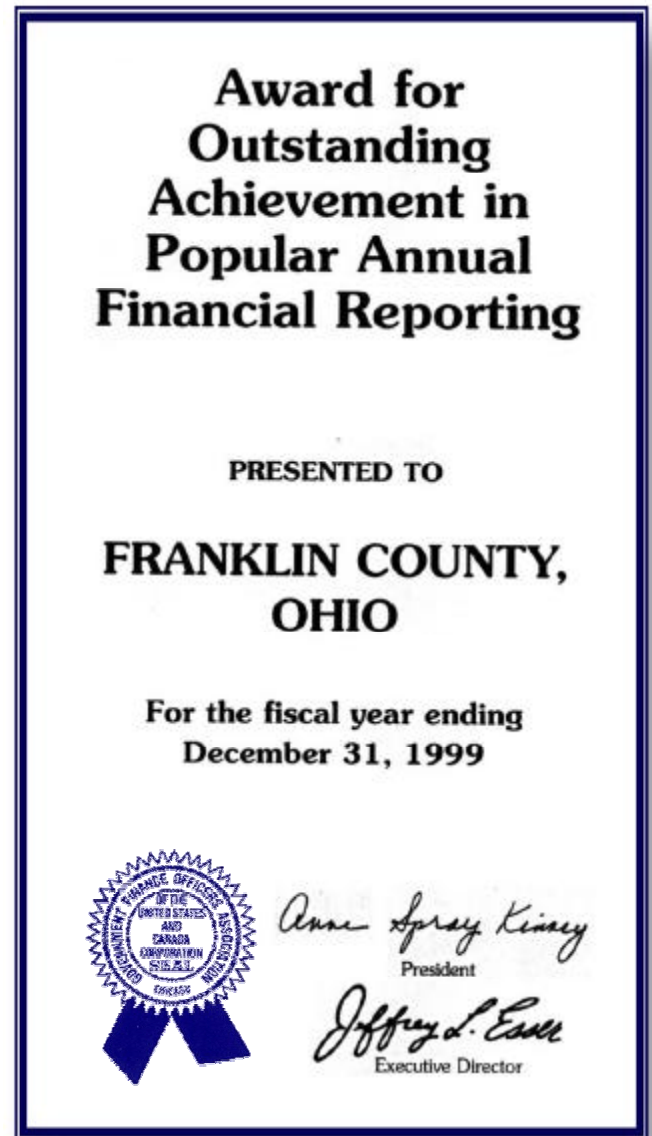
In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. Franklin County has received a Popular Award for the last five consecutive years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

Franklin County's comprehensive annual financial report for the year ended 1999, from which information on pages 2, 5 and 7 has been drawn, was awarded the Certificate of Achievement for Excellence in Financial Reporting by the GFOA. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Franklin County has received a Certificate of Achievement for the last 17 consecutive years. We believe our CAFR continues to conform to the Certificate of Achievement program requirements and we are submitting our CAFR for the current year to the GFOA.



County Government Working For You

COUNTY AGENCIES, BOARDS, OFFICES

ADAMH Board	614/224-1057
Office on Aging	614/462-5230
Animal Control	614/462-3400
Auditor	614/462-3200
Board of Elections	614/462-3100
Board of Health	614/462-3160
Child Support Enforcement Agency	614/462-3275
Children Services	614/275-2571
Clerk of Courts	614/462-3600
Board of Commissioners	614/645-3322
Coroner	614/462-5290
Development Department	614/462-3094
Emergency Management Agency	614/469-9700
Engineer	614/462-3030
Fleet Management	614/462-3412
Human Resources	614/462-3322
Human Services	614/462-4000
Board of MR&DD	614/475-6440
Metro Parks	614/891-0700
Mid-Ohio Regional Planning	614/228-2663
Prosecuting Attorney	614/462-3555
Public Defender	614/462-3194
Public Facilities Management	614/462-3800
Purchasing	614/462-3750
Recorder	614/462-3930
Sanitary Engineer	614/462-3940
Sheriff	614/462-3360
Treasurer	614/462-3438
Veterans Service Commission	614/462-2500

ELECTED OFFICIALS

(as of December 31, 2000)

Auditor	Joseph W. Testa
Board of Commissioners	Arlene Shoemaker Dewey R. Stokes Dorothy S. Teater
Clerk of Courts	Thomas K. Lindsey*
Coroner	Bradley J. Lewis, M.D.*
Engineer	Dean C. Ringle*
Prosecuting Attorney	Ron O'Brien
Recorder	Robert G. Montgomery*
Sheriff	Jim Karnes
Treasurer	Bobbie M. Hall
Court of Appeals Tenth District 614/462-3580	Donna Bowman Susan Brown Peggy Bryant Dana A. Deshler John P. Kennedy Cynthia C. Lazarus Charles R. Petree G. Gary Tyack
Common Pleas Court General Division 614/462-3452	John P. Bessey Jennifer L. Brunner David E. Cain John A. Connor Dale A. Crawford David W. Fais Daniel T. Hogan David L. Johnson Patrick M. McGrath Nodine Miller Deborah P. O'Neill Beverly Y. Pfeiffer Lisa L. Sadler Richard S. Sheward Alan C. Travis Michael H. Watson
Common Pleas Court Domestic Relations/ Juvenile Division 614/462-4386	Yvette McGee Brown Kay Lias James W. Mason Dana S. Preisse George W. Twyford
Common Pleas Court Probate Division 614/462-3894	Lawrence A. Belskis

*appointed to complete term of an elected official because of resignation or death.